WRITTEN ANSWERS TO STARRED QUESTIONS

External Funding By JBIC

565. SHRI SANTOSH BAGRODIA:
SHRI KALRAJ MISHRA:

Will the Minister of FINANCE be pleased to state:

(a) how much external funding has been provided by the Japan Bank of International Cooperation (JBIC) during financial years, 2005-06 and 2006-07;

(b) what are the guidelines of Department of Economic Affairs for the Central line Ministries to utilize such funds;

(c) what are the the monitoring guidelines for the DEA to ensure total transparency, accountability and prevention of corruptive practices by funds utilizing agencies; and

(d) when the Central line Ministry reports to DEA/Finance Ministry the illegalities and irregularities by the project implementing agency, what action is taken by DEA, who is central custodian/guarantor for such externally-aided project funds?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) Government of Japan has committed ODA loan Yen 155.458 billion (Rs. 5357.03 crores approximately) and Yen 184.893 billion (Rs. 6369.49 crores approximately) for FY 2005-06 and 2006-07 respectively. JBIC has disbursed Yen 68.68 billion (Rs. 2365.99 crores approximately) and Yen 54.88 billion (Rs. 1890.36 crores approximately) for FY 2005-06 and 2006-07 respectively.

Funds are utilized as per the provisions laid down in the Project document. Monitoring of implementation and utilization of funds in respect of Externally Aided Projects is done at the level of both Central Ministries/ Departments and State Governments. In case of central sector projects, the concerned Central line Ministry/Department monitors the progress, while in case of state sector projects, the concerned State Government along with the concerned Central line Ministry/Department, monitors the projects. Department of Economic Affairs also broadly reviews the financial and physical progress of the projects in consultation with the Central

Ministries/Departments/State Governments/Project Authorities. The guidelines dated 9.5.2005, issued by DEA on posing, implementation and monitoring of Externally Aided Projects are available on the Ministry of Finance's website *www.finmin.nic.in*. In case of any irregularity/illegality reported to DEA, the Department advises the concerned State Governments/ Central Ministries to take appropriate action.

#Exchange rate Yen 100 = Rs. 34.44 as on 11.5.2007.

Tax Holiday for Tourism Projects

566. SHRIMATI PREMA CARIAPPA:
SHRIMATI SHOBHANA BHARTIA:

Will the Minister of TOURISM be pleased to state:

(a) whether her Ministry propose to declare a conditional 10 years tax holiday from April, 2006 till March 31, 2007 for all tourism projects in the country while companies would enjoy full tax exemption up to 50 per cent of the profit for enjoying tax benefits for the balance amount, they would be required to re-invest that part of the profit in tourism projects; and

(b) whether her Ministry propose to encourage investments from non-tourism sector into hospitality and tourism projects and are willing to give an additional incentive package to invest in tourism projects in hilly areas, rural areas and pilgrim centres?

THE MINISTER OF TOURISM (SHRIMATI AMBIKA SONI): (a) In response to a budget proposal from the Ministry of Tourism, the Ministry of Finance, in the budget 2007-08 has offered tax benefits for five years to hotels in the 2, 3 and 4-star category and Convention Centres constructed between 1-4-2007 upto 31-3-2010. The incentive is available in NCT Delhi, districts of Gurgaon, Faridabad, Ghaziabad and Gautam Budh Nagar.

(b) The Ministry of Tourism under its various schemes provide financial assistance for the development of rural tourism, hill tourism and pilgrim centres. The Ministry of Commerce and Industry have announced packages for the hill States of Jammu & Kashmir, Sikkim, Himachal Pradesh and Uttarakhand for certain thrust areas including Eco-Tourism. In addition incentives have also been announced under the North East Industrial and Investment Promotion Policy (NEIIPP), 2007 for hotels (not below 2 star category), adventure and leisure sports including ropeways.